

91ST CONGRESS
1ST SESSION

H. R. 14080

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 1969

Mr. GERALD R. FORD introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance program, provide for automatic benefit increases thereafter in the event of future increases in the cost of living, provide for future automatic increases in the earnings and contribution base, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Social Security Amend-
- 4 ments of 1969".

TABLE OF CONTENTS

1	Sec. 1. Short title.
2	Sec. 2. Increase in OASDI benefits.
7	Sec. 3. Increase in benefits for certain individuals age 72 and over.
8	Sec. 4. Automatic adjustment of benefits.
13	Sec. 5. Liberalization of earnings test.
16	Sec. 6. Increase of earnings counted for benefit and tax purposes.
22	Sec. 7. Automatic adjustment of earnings base.
26	Sec. 8. Changes in tax schedules.
29	Sec. 9. Age-62 computation point for men.
32	Sec. 10. Entitlement to child's insurance benefits based on disability which began between 18 and 22.
35	Sec. 11. Allocation to Disability Insurance Trust Fund.
35	Sec. 12. Wage credits for members of the uniformed services.
37	Sec. 13. Parent's insurance benefits in case of retired or disabled worker.
44	Sec. 14. Increase in widow's and widower's insurance benefits.

1 INCREASE IN OLD-AGE, SURVIVORS, AND DISABILITY

2 INSURANCE BENEFITS

3 SEC. 2. (a) Section 215 (a) of the Social Security Act

4 is amended by striking out the table and inserting in lieu

5 thereof the following:

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND
MAXIMUM FAMILY BENEFITS

I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1957 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 203(a)) on the basis of his wages and self- employment income shall be—
At least—	But not more than—		At least—	But not more than—		
	\$16.20	\$55.40 or less		\$76	\$61.00	\$61.60
\$16.21	16.84	56.50	\$77	78	62.20	63.30
16.85	17.80	57.70	79	80	63.50	65.30
17.61	18.40	58.60	81	81	64.70	67.10
18.41	19.24	59.90	82	82	65.90	68.90
19.25	20.00	61.10	84	85	67.20	70.00
20.01	20.64	62.30	86	87	68.50	72.00
20.65	21.28	63.50	88	89	69.70	74.00
21.29	21.88	64.50	90	90	71.00	76.00
21.89	22.28	65.60	91	92	72.20	78.00
22.29	22.68	66.70	93	94	73.40	80.00
22.69	23.08	67.80	95	96	74.60	82.00
23.09	23.44	68.90	97	97	75.90	84.00
23.45	23.76	69.90	98	99	77.30	86.00
23.77	24.30	71.00	100	101	78.70	88.00
24.31	24.60	72.00	102	102	79.90	90.00
24.61	25.00	73.00	103	104	81.20	92.00
25.01	25.48	74.10	105	106	82.70	94.00
25.49	25.92	75.30	107	107	84.00	96.00

New benefit table:

Provides benefits 10 per-
cent higher than those
provided under the
present-law table with a
minimum benefit of \$61.
Also provides benefits
based on average earnings
of up to \$750 a month
(\$9000 a year) with an
ultimate maximum of \$250
a month--the present-law
table provides benefits
based on average earnings
of up to \$650 a month
(\$7800 a year) with an
ultimate maximum benefit
of \$218 a month. Sets
the ultimate maximum
family benefit at \$480
a month compared with
\$434.40 a month under
present law.

91st Congress
1969/1970

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND
MAXIMUM FAMILY BENEFITS—Continued

I (Primary insurance benefit under 1959 Act, as modified)		II (Primary insurance amount under 1967 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (e)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 202(a)) on the basis of his wages and self- employment income shall be—
At least—	But not more than—		At least—	But not more than—		
\$26.93		\$77.50	\$106	\$109	\$85.30	\$126.00
26.41	\$26.40	78.70	110	113	86.60	129.90
26.95	26.94	79.90	114	118	87.90	131.90
27.47	27.46	81.10	119	122	89.30	134.00
28.01	28.00	82.30	123	127	90.60	136.00
28.69	28.68	83.60	128	132	92.00	138.00
29.26	29.25	84.70	133	136	93.20	139.80
29.89	29.88	85.90	137	141	94.50	141.80
30.37	30.36	87.20	142	146	96.00	144.00
30.93	30.92	88.40	147	150	97.30	146.00
31.37	31.36	89.60	151	155	98.50	147.80
32.01	32.00	90.80	156	160	99.90	149.90
32.61	32.60	92.00	161	164	101.20	151.80
33.21	33.20	93.20	165	169	102.60	153.90
33.89	33.88	94.40	170	174	103.90	155.90
34.51	34.50	95.60	175	178	105.20	157.80
35.01	35.00	96.80	179	183	106.60	159.80
35.51	35.50	98.00	184	188	107.80	161.70
36.41	36.40	99.30	189	193	109.30	164.00
37.09	37.08	100.60	194	197	110.60	165.90
37.61	37.60	101.80	198	202	111.80	167.70
38.21	38.20	102.90	203	207	113.20	169.80
39.13	39.12	104.10	208	211	114.60	171.90
39.69	39.68	105.20	212	216	115.80	173.70
40.34	40.33	106.50	217	221	117.20	176.80
41.13	41.12	107.70	222	225	118.50	180.00
41.77	41.76	108.90	226	230	119.80	184.00
42.45	42.44	110.10	231	235	121.20	188.00
43.21	43.20	111.40	236	239	122.60	191.20
43.77	43.76	112.60	240	244	123.90	195.20
44.45	44.44	113.70	245	249	125.10	199.20
44.89	44.88	115.00	250	253	126.50	202.40
		116.20	254	258	127.90	206.40
		117.30	259	263	129.10	210.40
		118.60	264	267	130.50	213.60
		119.80	268	272	131.80	217.60
		121.00	273	277	133.10	221.60
		122.20	278	281	134.40	224.80
		123.40	282	286	135.80	228.80
		124.70	287	291	137.20	232.80
		125.90	292	295	138.40	236.00
		127.10	296	300	139.90	240.00
		128.30	301	305	141.20	244.00
		129.60	306	309	142.40	247.20
		130.70	310	314	143.80	251.20
		131.90	315	319	145.10	255.20
		133.00	320	323	146.30	258.40
		134.30	324	328	147.80	262.40
		135.50	329	333	149.10	266.40
		136.80	334	337	150.50	269.60
		137.90	338	342	151.70	273.60
		139.10	343	347	153.10	277.60
		140.40	348	351	154.50	280.80
		141.60	352	356	155.70	284.80
		142.80	357	361	157.10	288.80
		144.00	362	365	158.40	292.00
		145.10	366	370	159.70	296.00
		146.40	371	375	161.10	300.00
		147.60	376	379	162.40	303.20
		148.90	380	384	163.80	307.20
		150.00	385	389	165.00	311.20
		151.20	390	393	166.40	314.40
		152.60	394	398	167.80	318.40
		153.60	399	403	169.00	322.40
		154.80	404	407	170.40	326.60
		156.00	408	412	171.60	329.80
		157.10	413	417	172.90	333.60
		158.20	418	421	174.10	336.80
		159.40	422	426	175.40	340.80
		160.50	427	431	176.60	344.80
		161.60	428	436	177.80	348.80
		162.80	437	440	179.10	352.00
		163.90	441	445	180.30	356.00
		165.00	446	450	181.50	360.00
		166.20	451	454	182.90	361.60
		167.30	455	459	184.10	363.60

CMS Library
C2-07-13
7500 Security Blvd.
Baltimore, Maryland 21244

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND
MAXIMUM FAMILY BENEFITS—Continued

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1967 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his pri- mary insur- ance amount (as deter- mined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits pay- able (as pro- vided in sec. 203(a)) on the basis of his wages and self- employment income shall be—
At least—	But not more than—		At least—	But not more than—		
		\$168.40	\$460	\$464	\$185.30	\$365.60
		169.50	465	468	186.50	367.20
		170.70	469	473	187.80	369.20
		171.80	474	478	188.00	371.20
		172.90	479	482	189.20	373.80
		174.10	483	487	191.60	374.80
		175.20	488	492	192.80	378.80
		176.30	493	496	194.00	378.40
		177.50	497	501	195.30	380.40
		178.60	502	506	196.50	382.40
		179.70	507	510	197.70	384.00
		180.80	511	515	198.90	386.00
		182.00	516	520	200.20	388.00
		183.10	521	524	201.50	389.60
		184.20	525	529	202.70	391.60
		185.40	530	534	204.00	393.60
		186.50	535	538	205.20	395.20
		187.60	539	543	206.40	397.20
		188.80	544	548	207.70	399.20
		189.90	549	553	208.90	401.20
		191.00	554	556	210.10	402.40
		192.00	557	560	211.20	404.00
		193.00	561	563	212.30	405.20
		194.00	564	567	213.40	406.80
		195.00	568	570	214.50	408.00
		196.00	571	574	215.60	409.60
		197.00	575	577	216.70	410.80
		198.00	578	581	217.80	412.40
		199.00	582	584	218.90	413.60
		200.00	585	588	220.00	415.20
		201.00	589	591	221.10	416.40
		202.00	592	595	222.20	418.00
		203.00	596	598	223.30	419.20
		204.00	599	602	224.40	420.80
		205.00	603	605	225.50	422.00
		206.00	606	609	226.60	423.60
		207.00	610	612	227.70	424.80
		208.00	613	616	228.80	426.40
		209.00	617	620	229.90	428.00
		210.00	621	623	231.00	429.20
		211.00	624	627	232.10	430.80
		212.00	628	630	233.20	432.00
		213.00	631	634	234.30	433.60
		214.00	635	637	235.40	434.80
		215.00	638	641	236.50	436.40
		216.00	642	644	237.60	437.60
		217.00	645	648	238.70	439.20
		218.00	649	656	239.80	442.40
			657	666	241.00	446.40
			667	676	242.00	450.40
			677	685	243.00	454.00
			686	695	244.00	458.00
			696	705	245.00	462.00
			706	715	246.00	466.00
			716	725	247.00	470.00
			726	734	248.00	473.60
			735	744	249.00	477.60
			745	750	250.00	480.00

Saving Clause: Assures 1
each family entitled to 2
benefits for March 1970
a benefit increase of 3
10 percent if at least
one member of the family
was entitled to benefits 4

(b) Section 203 (a) of such Act is amended by striking
out paragraph (2) and inserting in lieu thereof the following:

“(2) when two or more persons were entitled
(without the application of section 202 (j) (1) and sec-

tion 223 (b)) to monthly benefits under section 202 or 223 for March 1970 on the basis of the wages and self-employment income of such insured individual and at least one such person was so entitled for February 1970 on the basis of such wages and self-employment income, such total of benefits for March 1970 or any subsequent month shall not be reduced to less than the larger of—

“(A) the amount determined under this subsection without regard to this paragraph, or

“(B) an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222 (b), section 202 (q), and subsections (b), (c), and (d) of this section), as in effect prior to March 1970, for each such person for such month, by 110 percent and raising each such increased amount, if it is not a multiple of \$0.10, to the next higher multiple of \$0.10;

but in any such case (i) paragraph (1) of this subsection shall not be applied to such total of benefits after the application of subparagraph (B), and (ii) if section 202 (k) (2) (A) was applicable in the case of any such benefits for March 1970, and ceases to apply after such month, the provisions of subparagraph (B) shall be applied, for and after

in February 1970, even though the family is, or in March 1970 would be, getting benefits that are limited by the family maximum in present law. Provides that the family will get the larger of (1) the maximum family benefit determined under the new benefit table and (2) a maximum that is the sum of each person's benefit amount determined under present law and increased by 10 percent. Where the family includes children who are entitled to benefits on the basis of more than one earnings record, the family will get the larger of (1) the sum of the maximum family benefits applicable on each earnings record (but not more than \$480--the maximum family benefit payable on average monthly earnings of \$750) and (2) the sum of each person's benefit amount in effect for February 1970 (but not more than \$434.40--the maximum family benefit payable on average monthly earnings of \$650) increased by 10 percent. When, in the future, only one earnings record is involved (because the benefit for the last child entitled on more than one earnings record is terminated) the benefit amounts for the remaining beneficiaries will be recomputed to assure each of them a benefit increase of 10 percent over the amount

they would have gotten had they been entitled to benefits on only one earnings record before March 1970.

Makes section 215(b)--relating to the computation of the average monthly wage--effective only for a person who becomes entitled to benefits or a benefit recomputation, or who dies, after February 1970.

Specifies that the primary insurance amounts in column II of the new benefit table are the amounts which are applicable on the basis of the earnings of a worker who becomes entitled to benefits or dies before March 1970. For months after February 1970, the worker's primary insurance amount will be increased to the amounts shown in column IV of the new table.

Effective date: makes benefit increase effective for monthly benefits payable for and after March 1970, and for lump-sum death payments for deaths in or after March 1970.

Assures that a person who is entitled to a disability insurance

1 the month in which section 202 (k) (2) (A) ceases to apply,
2 as though paragraph (1) had not been applicable to such
3 total of benefits for March 1970, or".

4 (c) Section 215 (b) (4) of such Act is amended by
5 striking out "January 1968" each time it appears and in-
6 serting in lieu thereof "February 1970".

7 (d) Section 215 (c) of such Act is amended to read
8 as follows:

9 "PRIMARY INSURANCE AMOUNT UNDER 1967 ACT

10 "(c) (1) For the purposes of column II of the table
11 appearing in subsection (a) of this section, an individual's
12 primary insurance amount shall be computed on the basis of
13 the law in effect prior to the enactment of the Social Security
14 Amendments of 1969.

15 "(2) The provisions of this subsection shall be appli-
16 cable only in the case of an individual who became entitled
17 to benefits under section 202 (a) or section 223 before March
18 1970, or who died before such month."

19 (e) The amendments made by this section shall apply
20 with respect to monthly benefits under title II of the Social
21 Security Act for months after February 1970 and with re-
22 spect to lump-sum death payments under such title in the
23 case of deaths occurring after February 1970.

24 (f) If an individual was entitled to a disability insurance
25 benefit under section 223 of the Social Security Act for

February 1970 and became entitled to old-age insurance benefits under section 202 (a) of such Act for March 1970, or he died in such month, then, for purposes of section 215 (a) (4) of the Social Security Act (if applicable), the amount in column IV of the table appearing in such section 215 (a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215 (c) of such Act) instead of the amount in column IV equal to the primary insurance amount on which his disability insurance benefit is based.

INCREASE IN BENEFITS FOR CERTAIN INDIVIDUALS AGE 72

AND OVER

SEC. 3. (a) (1) Section 227 (a) of the Social Security Act is amended by striking out "\$40" and inserting in lieu thereof "\$44," and by striking out "\$20" and inserting in lieu thereof "\$22."

(2) Section 227 (b) of such Act is amended by striking out in the second sentence "\$40" and inserting in lieu thereof "\$44".

(b) (1) Section 228 (b) (1) of such Act is amended by striking out "\$40" and inserting in lieu thereof "\$44".

(2) Section 228 (b) (2) of such Act is amended by striking out "\$40" and inserting in lieu thereof "\$44", and by striking out "\$20" and inserting in lieu thereof "\$22".

benefit for February 1970 and who becomes entitled to an old-age insurance benefit for March 1970 will get a benefit increase of at least 10 percent (under the law, and the bill, the amount of the old-age insurance benefit for March would otherwise be based on the amount that the disability insurance benefit for February would be based on).

Provides for a 10-percent increase in the special payments provided on a transitional basis for people age 72 and older on the basis of 3, 4, or 5 quarters of coverage (instead of the minimum of 6 needed for regular monthly benefits) from \$40 to \$44 for a worker or a widow and from \$20 to \$22 for a wife.

Provides for a 10-percent increase in the special payments provided on a transitional basis for people age 72 and older on the basis of no quarters of coverage (or not enough to qualify under the preceding provision) from \$40 to \$44 for a single

person and from \$60 to \$66 for a couple. (Payments under this provision are reduced by amounts received from any other governmental system.)

Makes increases in the special payments effective for months after February 1970.

Provides for automatic increases in benefits to take account of increases in the cost of living.

Defines a base quarter for measuring an increase in the Consumer Price Index (computed by the Department of Labor) as the third quarter of each year beginning with 1969.

Defines a cost-of-living computation quarter as a base quarter in which the monthly average of the Consumer Price Index is at least 3 percent higher than the monthly average of the Consumer Price Index for the third quarter

(3) Section 228 (c) (2) of such Act is amended by striking out "\$20" and inserting in lieu thereof "\$22".

(4) Section 228 (c) (3) (A) of such Act is amended by striking out "\$40" and inserting in lieu thereof "\$44".

(5) Section 228 (c) (3) (B) of such Act is amended by striking out "\$20" and inserting in lieu thereof "\$22".

(c) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under title II of the Social Security Act for months after February 1970.

AUTOMATIC ADJUSTMENT OF BENEFITS

SEC. 4. (a) Section 215 of the Social Security Act is amended by adding after subsection (h) the following new subsection:

"COST-OF-LIVING INCREASES IN BENEFITS

"(i) (1) For purposes of this subsection—

"(A) the term 'base quarter' shall mean the period of 3 consecutive calendar months ending on September 30, 1969, and the period of 3 consecutive calendar months ending on September 30 of each year thereafter.

"(B) the term 'cost-of-living computation quarter' shall mean the base quarter in which the monthly average of the Consumer Price Index prepared by the Department of Labor exceeds, by not less than 3 percent, the monthly average of such Index in the later

of: (i) the 3 calendar-month period ending on September 30, 1969 or (ii) the base quarter which was most recently a cost-of-living computation quarter.

of 1969 or, if later, the base quarter that was the most recent cost-of-living computation quarter.

“(2) (A) If the Secretary determines that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall, effective for January of the next calendar year, increase the benefit amount of each individual who for such month is entitled to benefits under section 227 or 228 and the primary insurance amount of each individual, specified in subparagraph (B) of this paragraph, by an amount derived by multiplying such amount of each such individual (including each such individual's primary insurance amount or benefit amount under section 227 or 228 as previously increased under this subparagraph) by the same per centum (rounded to the nearest one-tenth of 1 per centum) as the monthly average of the Consumer Price Index for such cost-of-living computation quarter exceeds the monthly average of such Index for the base quarter determined after the application of clauses (i) and (ii) of paragraph (1) (B). Such increased primary insurance amount shall be considered such individual's primary insurance amount for purposes of this subsection, section 202, and section 223.

Whenever the Secretary determines that a base quarter is also a cost-of-living computation quarter, he is to increase benefit amounts automatically by the same percent as the increase in the Consumer Price Index, effective for January of the following year. The increase will be effective for all people getting (or who in the future will be getting) social security benefits.

“(B) The increase provided by subparagraph (A) with respect to a particular cost-of-living computation quarter

1 shall apply in the case of monthly benefits under this title
 2 for months after December of the calendar year in which
 3 occurred such cost-of-living computation quarter, based on
 4 the wages and self-employment income of an individual who
 5 became entitled to monthly benefits under section 202, 223,
 6 227, or 228 (without regard to section 202 (j) (1) or section
 7 223 (b)), or who died, in or before December of the calen-
 8 dar year in which occurred such cost-of-living computation
 9 quarter.

Provides that when a cost-
 of-living benefit increase
 is required, the Secretary
 must publish in the Federal
 Register, by December of
 the year in which it is
 determined that an increase
 is required, a new benefit
 table, prepared as speci-
 fied below. The new
 benefit table reflecting
 the Consumer Price Index
 increases (and automatic
 increases in the contri-
 bution and earnings base)
 would govern benefits
 payable for and after the
 following January.

Includes in table primary
 insurance amounts in
 effect prior to current
 increase in primary insur-
 ance amounts.

Provides for applying the
 percentage increase to
 arrive at new primary
 insurance amounts.

10 “(C) If the Secretary determines that a base quarter
 11 in a calendar year is also a cost-of-living computation quarter,
 12 he shall publish in the Federal Register on or before Decem-
 13 ber 1 of such calendar year a determination that a benefit
 14 increase is resultantly required and the percentage thereof.
 15 He shall also publish in the Federal Register at that time
 16 a revision of the benefit table contained in subsection (a),
 17 as it may have been revised previously, pursuant to this
 18 subparagraph. Such revision shall be determined as follows:

19 “(i) The amount of each line of column II shall be
 20 changed to the amount shown on the corresponding line of
 21 column IV of the table in effect before this revision.

22 “(ii) The amount of each line of column IV shall be
 23 increased from the amount shown in the table in effect
 24 before this revision by increasing such amount by the per
 25 centum specified in subparagraph (A) of paragraph (2).

1 raising each such increased amount, if not a multiple of
 2 \$.10, to the next higher multiple of \$.10.

3 “(iii) If the contribution and benefit base (as defined in
 4 section 230 (b)) for the calendar year in which such bene-
 5 fit table is revised is lower than such base for the following
 6 calendar year, columns III, IV, and V shall be extended.

7 The amount in the first additional line in column IV shall
 8 be the amount in the last line of such column as determined
 9 under clause (ii), plus \$1.00, rounding such increased

10 amount to the nearest multiple of \$1.00. The amount of each
 11 succeeding line of column IV shall be the amount on the

12 preceding line increased by \$1.00, until the amount on
 13 the last line of such column shall be equal to one-thirtysixth

14 of the contribution and earnings base for the calendar year
 15 succeeding the calendar year in which such benefit table is

16 revised, rounding such amount, if not a multiple of \$1.00, to
 17 the nearest multiple of \$1.00. The amount in each additional

18 line of column III shall be determined so that the second
 19 figure in the last line of column III shall be one-twelfth of

20 the contribution and earnings base for the calendar year fol-
 21 lowing the calendar year in which such benefit table is re-

22 vised, and the remaining figures in column III shall be
 23 determined in consistent mathematical intervals from column

24 IV. The second figure in the last line of column III before
 25 the extension of the column shall be increased to a figure

Specifies the method to be used in determining primary insurance amounts for average monthly earnings above \$750, the highest possible average monthly earnings under the \$9000 contribution and earnings base. Average monthly earnings above \$750 will be possible in years after 1973 when the base is automatically adjusted to rising wages.

Provides for increases in the maximum family benefits payable at various levels of average monthly earnings as primary insurance amounts are increased and as the maximum amount of average monthly earnings rises under automatic increases in the contribution and earnings base.

Saving clause--
Assures each family entitled to benefits for the December before a cost-of-living benefit increase the full percentage increase for January, even though the family is, or in January would be, getting benefits that are limited by the family maximum. (The new family maximum for the family would not be less than the sum of each person's benefit amount in December increased by the percentage of the Consumer Price Index increase.

1 mathematically consistent with the figures determined in
2 accordance with the preceding sentence. The amount on each
3 line of column V shall be increased, to the extent necessary,
4 so that each such amount shall be equal to 40 per centum of
5 the second figure in the same line of column III, plus 40
6 per centum of the smaller of (I) such second figure or (II)
7 the larger of \$450 or 50 per centum of the largest figure
8 in column III.

9 " (iv) The amount on each line of column V shall
10 be increased, if necessary, so that such amount shall be
11 at least equal to one and one-half times the amount shown
12 on the corresponding line in column IV. Any such increased
13 amount that is not a multiple of \$.10 shall be increased to
14 the next higher multiple of \$.10."

15 (b) Section 203 (a) of such Act is amended by striking
16 out the period at the end of the first sentence and inserting in
17 lieu thereof " , or" and adding the following new paragraph:

18 " (4) when two or more persons are entitled (with-
19 out the application of section 202 (j) (1) and section
20 223 (b)) to monthly benefits under section 202 or 223
21 for December in the calendar year in which occurs a
22 cost-of-living computation quarter (as defined in section
23 215 (i) (1)) on the basis of the wages and self-employ-
24 ment income of such insured individual, such total of
25 benefits for the month immediately following shall be

reduced to not less than the amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222 (b) , section 202 (q) , and subsections (b) , (c) , and (d) of this section) as in effect for December for each such person by the same per centum increase as such individual's primary insurance amount (including such amount as previously increased under section 215 (i) (2)) is increased and raising each such increased amount, if not a multiple of \$0.10, to the next higher multiple of \$0.10."

(c) (1) Section 202 (a) of such Act is amended by striking out " (as defined in section 215 (a)) .".

Conforming amendments--to remove requirement that benefits be based on the table in sec. 215(a) of the Act so that benefits can also be based on the table published in the Federal Register.

(2) Section 215 (f) (4) of such Act is amended by adding at the end before the period the following: " (including a primary insurance amount as increased under subsection (i) (2)) ".

(3) Section 215 (g) of such Act is amended by striking out "primary insurance amount" and inserting in lieu thereof "primary insurance amount (including a primary insurance amount as increased under subsection (i) (2)) ".

LIBERALIZATION OF EARNINGS TEST

SEC. 5. (a) (1) Paragraphs (1) and (4) (B) of section 203 (f) of the Social Security Act are each amended by

Provides that full benefits shall be paid for every month of the

year where earnings do not exceed \$1800 (instead of \$1680), and for each month for which earnings do not exceed \$150 (instead of \$140) regardless of annual earnings, and that \$1 less in benefits shall be paid for each \$2 of earnings above \$1800 (instead of for the first \$1200 above \$1680 and for each \$1 of earnings thereafter). Also, requires beneficiaries to report to the Secretary annual earnings in excess of \$1800 (instead of in excess of \$1680).

striking out "\$140" and inserting in lieu thereof "\$150 or the exempt amount as determined under paragraph (8)".

(2) Paragraph (1) (A) of section 203 (h) of such Act is amended by striking out "\$140" and inserting in lieu thereof "\$150 or the exempt amount as determined under paragraph (8)".

(3) Paragraph (3) section 203 (f) of such Act is amended to read as follows:

"(3) For purposes of paragraph (1) and subsection (h), an individual's excess earnings for a taxable year shall be 50 per centum of his earnings for such year in excess of the product of \$150 or the exempt amount as determined under paragraph (8) multiplied by the number of months in such year. The excess earnings as derived under the preceding sentence, if not a multiple of \$1, shall be reduced to the next lower multiple of \$1."

Automatic Adjustment to Increased Wage Levels: Provides that on or before October 1 of 1972 and of each even-numbered year thereafter, the Secretary shall determine and publish in the Federal Register the annual exempt amount of earnings (\$1800 under the bill) and the monthly exempt amount (\$150 under the bill) which shall become effective for two taxable years, beginning with the next even-numbered year; such determination being based upon the ratio of wage levels in the year the determination is made to wage levels in 1971. No downward adjustment will be made.

(b) Subsection (f) of section 203 of such Act is amended by adding at the end thereof the following new paragraph:

"(8) (A) On or before October 1 of 1972 and of each even-numbered year thereafter, the Secretary shall determine and publish in the Federal Register the exempt amount as defined in subparagraph (B) for each month in the two taxable years which end after the calendar year following the year in which such determination is made.

1 “(B) The exempt amount for each month of a par-
 2 ticular taxable year shall be whichever of the following is
 3 the larger:

4 “(i) the product of \$150 and the ratio of (I) the
 5 average taxable wages of all persons for whom taxable
 6 wages were reported to the Secretary for the first cal-
 7 endar quarter of the calendar year in which a deter-
 8 mination under subparagraph (A) is made for each
 9 such month of such particular taxable year to (II) the
 10 average of the taxable wages of all persons for whom
 11 wages were reported to the Secretary for the first cal-
 12 endar quarter of 1971; such product, if not a multiple
 13 of \$10, shall be rounded to the nearest multiple of \$10,
 14 or

15 “(ii) the exempt amount for each month in the
 16 taxable year preceding such particular taxable year;
 17 except that the provisions in clause (i) shall not apply
 18 with respect to any taxable year unless the contribution and
 19 earnings base for such year is determined under section
 20 230 (b) (1).”

21 (c) Clause (B) of Section 203 (f) (1) of the Social
 22 Security Act is amended to read as follows:

23 “(B) in which such individual was age 72 or over,
 24 excluding from such excess earnings the earnings of an
 25 individual in or after the month in which he was age 72

Provides that earnings in
 and after the month a
 beneficiary attains age 72
 are excluded in determin-
 ing his annual earnings
 for retirement test
 purposes. In determining
 the amount of net earn-
 ings from self-employment

to be attributed to months before the attainment of age 72, net earnings from self-employment shall be prorated in an equitable manner under regulations prescribed by the Secretary.

Effective date: changes effective for taxable years ending after 1970.

INCREASE OF EARNINGS COUNTED FOR BENEFIT AND TAX PURPOSES

Defines wages creditable for benefits as wages up to \$9000 for 1972 and 1973, and, for years after 1973, as wages up to an amount equal to the amount determined to be the contribution and earnings base under the provisions in Sec. 7 for automatic adjustment of the base to rising wages.

SEC. 6. (a) (1) (A) Section 209 (a) (5) of the Social Security Act is amended by inserting "and prior to 1972" after "1967".

(B) Section 209 (a) of such Act is further amended by adding at the end thereof the following new paragraphs:

"(6) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to \$9,000 with respect to employment has been paid to an individual during any calendar year after 1971 and prior to 1974, is paid to such individual during any such calendar year;

"(7) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to the contribution and earnings base (determined under section 230) with respect to employment paid to an individual during the calendar year with respect to which such contribution and earnings base

1 was effective, is paid to such individual during such calendar
2 year;

3 (2) (A) Section 211 (b) (1) (E) of such Act is
4 amended by inserting "and prior to 1972" after "1967", by
5 striking out "; or" and inserting in lieu thereof "; and".

6 (B) Section 211 (b) (1) of such Act is further amended
7 by adding at the end thereof the following new subpara-
8 graphs:

9 "(F) For any taxable year ending after 1971
10 and prior to 1974, (i) \$9,000, minus (ii) the amount
11 of the wages paid to such individual during the taxable
12 year; and

13 "(G) For any taxable year ending in any calendar
14 year after 1973, (i) an amount equal to the contribution
15 and earnings base (as determined under section 230)
16 effective for such calendar year; minus (ii) the amount
17 of the wages to such individual during such taxable year,
18 or".

19 (3) (A) Section 213 (a) (2) (ii) of such Act is
20 amended by striking out "after 1967" and inserting in lieu
21 thereof "after 1967 and before 1972, or \$9,000 in the case
22 of a calendar year after 1971 and before 1974, or an amount
23 equal to the contribution and earnings base (as determined
24 under section 230) in the case of any calendar year with

Defines self-employment income creditable for benefits as such income up to \$9000 for taxable years 1972 and 1973, and, for years after 1973, as such income up to an amount equal to the amount determined to be the contribution and earnings base under the provisions in Sec. 7 for automatic adjustment of the base to rising wages, minus the amount of wages for the year.

Four quarters of coverage given for wages in any year if equal to the contribution and earnings base for that year (comparable provision in present law.)

1 respect to which such contribution and earnings base was
2 effective”.

Four quarters of coverage given for wages and self-employment income totaling in a year an amount equal to the contribution and earnings base for that year.

3 (B) Section 213 (a) (2) (iii) of such Act is amended
4 by striking out “after 1967” and inserting in lieu thereof
5 “after 1967 and prior to 1972, or \$9,000 in the case of a
6 taxable year ending after 1971 and prior to 1974 or the
7 amount equal to the contribution and earnings base (as deter-
8 mined under section 230), in the case of any taxable year
9 ending in any calendar year after 1973, effective for such
10 calendar year”.

Limit on annual earnings counted for any year in computing a person's average monthly wage for purposes of determining his benefit amount will be the amount of the contribution and earnings base for that year.

11 (4) Section 215 (e) (1) of such Act is amended by
12 striking out “and the excess over \$7,800 in the case of any
13 calendar year after 1967” and inserting in lieu thereof “the
14 excess over \$7,800 in the case of any calendar year after
15 1967 and before 1972, the excess over \$9,000 in the case
16 of any calendar year after 1971 and before 1974, and the
17 excess over an amount equal to the contribution and earnings
18 base (as determined under section 230) in the case of any
19 calendar year after 1973 with respect to which such con-
20 tribution and earnings base was effective”.

Defines self-employment income subject to contributions as net income from self-employment up to the contribution and earnings base applicable for each taxable year, minus the amount of wages for the year.

21 (b) (1) (A) Section 1402 (b) (1) (E) of the Internal
22 Revenue Code of 1954 (relating to definition of self-employ-
23 ment income) is amended by inserting “and before 1972”
24 after “1967”, and by striking out “; or” and inserting in
25 lieu thereof “; and”.

1 (B) Section 1402(b) (1) of such Code is further
 2 amended by adding at the end thereof the following new
 3 subparagraphs:

4 “(F) for any taxable year ending after 1971
 5 and before 1974, (i) \$9,000, minus (ii) the amount
 6 of the wages paid to such individual during the tax-
 7 able year; and

8 “(G) for any taxable year ending in any cal-
 9 endar year after 1973, (i) an amount equal to the
 10 contribution and earnings base (as determined under
 11 section 230 of the Social Security Act) effective for
 12 such calendar year, minus (ii) the amount of the
 13 wages paid to such individual during such taxable
 14 year; or”.

15 (2) (A) Section 3121(a) (1) of such Code (relating
 16 to definition of wages) is amended by striking out “\$7,800”
 17 each place it appears and inserting in lieu thereof “\$9,000”.

Defines wages subject
 to contributions as
 wages up to the amount
 of the contribution and
 earnings base for each
 year.

18 (B) Effective with remuneration paid after 1973, sec-
 19 tion 3121(a) (1) of such Code is amended by (1) striking
 20 out “\$9,000” each place it appears and inserting in lieu
 21 thereof “the contribution and earnings base (as determined
 22 under section 230 of the Social Security Act)”, and (2)
 23 striking out “by an employer during any calendar year”, and
 24 inserting in lieu thereof “by an employer during the calendar

1 year with respect to which such contribution and earnings
2 base was effective”.

Amends provisions
relating to contributions
paid on Federal employees'
wages to take account of
increases in the contri-
bution and earnings base.

3 (3) (A) The second sentence of section 3122 of such
4 Code (relating to Federal service) is amended by striking
5 out “\$7,800” and inserting in lieu thereof “\$9,000”.

6 (B) Effective with remuneration paid after 1973, the
7 second sentence of section 3122 of such Code is amended by
8 striking out “\$9,000” and inserting in lieu thereof “the con-
9 tribution and earnings base”.

Amends provisions
relating to contributions
paid on wages of govern-
mental employees of Guam,
American Samoa, and the
District of Columbia to
take account of increases
in the contribution and
earnings base.

10 (4) (A) Section 3125 of such Code (relating to returns
11 in the case of governmental employees in Guam, American
12 Samoa, and the District of Columbia) is amended by strik-
13 ing out “\$7,800” where it appears in subsections (a), (b),
14 and (c) and inserting in lieu thereof “\$9,000”.

15 (B) Effective with remuneration paid after 1973, the
16 second sentence of section 3125 of such Code is amended by
17 striking out “\$9,000” where it appears in subsections (a),
18 (b), and (c) and inserting in lieu thereof “the contribution
19 and earnings base”.

Amends provisions
relating to special
refunds of social
security contributions
paid by employees on
wages in excess of the
contribution and earnings
base received from more
than one employer to take
account of increases in
the contribution and
earnings base.

20 (5) Section 6413(c) (1) of such Code (relating to
21 special refunds of employment taxes) is amended—

22 (A) by inserting “and prior to the calendar year
23 1972” after “after the calendar year 1967”.

24 (B) by inserting after “exceed \$7,800” the fol-
25 lowing: “or (E) during any calendar year after the

1 calendar year 1971 and prior to the calendar year 1974,
 2 the wages received by him during such year exceed
 3 \$9,000, or (F) during any calendar year after 1973,
 4 the wages received by him during such year exceed the
 5 contribution and earnings base (as determined under
 6 section 230 of the Social Security Act) effective with
 7 respect to such year," and

8 (C) by inserting before the period at the end
 9 thereof the following: "and before 1972, or which
 10 exceeds the tax with respect to the first \$9,000 of such
 11 wages received in such calendar year after 1971 and
 12 before 1974, or which exceeds the tax with respect to
 13 the first amount equal to the contribution and earnings
 14 base (as determined under section 230 of the Social
 15 Security Act) of such wages received in the calendar
 16 year after 1973 with respect to which such contribution
 17 and earnings base was effective".

18 (6) Section 6413 (c) (2) (A) of such Code (relating
 19 to refunds of employment taxes in the case of Federal employ-
 20 ees) is amended by—

21 (A) striking out "or \$7,800 for any calendar year
 22 after 1967" and inserting in lieu thereof "\$7,800 for the
 23 calendar year 1968, 1969, 1970 and 1971, or \$9,000
 24 for the calendar year 1972 or 1973, or an amount equal
 25 to the contribution and earnings base (as determined

Amends provisions
 relating to special
 refunds of social
 security contributions
 paid by Federal employees
 on wages in excess of
 the contribution and
 earnings base received
 from more than one
 employer to take account
 of increases in the
 contribution and earnings
 base.

Makes the changes in the contribution and earnings base effective for wages received after 1971, and for self-employment income for taxable years ending after 1971.

Provides for automatic increases in the contribution and earnings base as average taxable wages increase.

Provides for automatic increases in the contribution and earnings base for years after 1973. By October 1 of each even-numbered year, beginning with 1972, the Secretary will determine, and publish in the Federal Register, the amount of the base beginning with the following even-numbered year. The amount of the base will be determined by the formula provided for this purpose.

1 under section 230 of the Social Security Act) for any
2 calendar year after 1973 with respect to which such con-
3 tribution and earnings base was effective”.

4 (c) The amendments made by subsections (a) (1) and
5 (a) (3) (A), and the amendments made by subsection (b)
6 (except paragraph (1) thereof), shall apply only with
7 respect to remuneration paid after December 1971. The
8 amendments made by subsections (a) (2), (a) (3) (B),
9 and (b) (1) shall apply only with respect to taxable years
10 ending after 1971. The amendment made by subsection (a)
11 (4) shall apply only with respect to calendar years after
12 1971.

13 AUTOMATIC ADJUSTMENT OF EARNINGS BASE

14 SEC. 7. (a) Title II of the Social Security Act is
15 amended by adding at the end thereof the following new
16 section:

17 “AUTOMATIC ADJUSTMENT OF EARNINGS BASE

18 “SEC. 230. (a) On or before October 1 of 1972, and each
19 even-numbered year thereafter, the Secretary shall deter-
20 mine and publish in the Federal Register the contribution and
21 earnings base (as defined in subsection (b)) for the two
22 calendar years succeeding the calendar year following the
23 year in which the determination is made.

24 “(b) The contribution and earnings base for a particular
25 calendar year shall be whichever of the following is the
26 larger.

“(1) the product of \$9,000 and the ratio of (A) the average taxable wages of all persons for whom taxable wages were reported to the Secretary for the first calendar quarter of the calendar year in which a determination under subsection (a) is made for such particular calendar year to (B) the average of the taxable wages of all persons for whom taxable wages were reported to the Secretary for the first calendar quarter of 1971; such product, if not a multiple of \$600, shall be rounded to the nearest multiple of \$600, or

The contribution and earnings base for years after 1973 is to be the larger of: (A) the \$9000 base increased by the percentage increase in average taxable wages in the first quarter of the current year over the level of average taxable wages in the first quarter of 1971, rounded to the nearest multiple of \$600, and (B) the contribution and earnings base that is already in effect.

“(2) the contribution and earnings base for the calendar year preceding such particular calendar year.”

(b) That part of section 215 (a) of the Social Security Act which precedes the table is amended by striking out “or” at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof “or the amount equal to his primary insurance amount upon which such disability insurance benefit is based if such primary insurance amount was determined under paragraph (5); or”, and by inserting after paragraph (4) the following:

Provides a formula for computing primary insurance amounts based on average monthly earnings above \$750, the highest possible under the \$9000 contribution and earnings base. Average monthly earnings above \$750 will be possible in years after 1973 when the base is increased above \$9000 under the provisions of Sec. 7 for automatic adjustment of the base to rising wages.

“(5) If such insured individual’s average monthly wage (as determined under subsection (b)) exceeds \$750, the amount equal to the sum of (A) \$54.48 and (B) 28.47 per centum of such average monthly wage; such sum, if

1 it is not a multiple of \$1, shall be rounded to the nearest
2 multiple of \$1."

Provides the method for
determining maximum family
benefit amounts that will
be applicable after 1973,
when average monthly
earnings can exceed \$750
(the highest possible
average monthly earnings
under the \$9000 contribu-
tion and earnings base)
as a result of automatic
adjustments.

3 (c) So much of section 203 (a) as precedes paragraph
4 (2) is amended to read as follows:

5 "SEC. 203. (a) Whenever the total of monthly benefits
6 to which individuals are entitled under sections 202 and 223
7 for a month on the basis of the wages and self-employment
8 income of an insured individual exceeds the larger of: (I)
9 the amount appearing in column V of the table in section
10 215 (a) on the line on which appears in column IV such
11 insured individual's primary insurance amount, and (II) the
12 amount which is equal to the sum of \$180.00 and 40 per
13 centum of the highest average monthly wage (as determined
14 under section 215 (b)), which will produce the primary
15 insurance amount of such individual (as determined under
16 section 215 (a) (5)), such total of monthly benefits to which
17 such individuals are entitled shall be reduced to the larger
18 amount determined under (I) or (II) above, whichever is
19 applicable; except that—

20 "(1) when any such individuals so entitled would
21 (but for the provisions of section 202 (k) (2) (A)) be
22 entitled to child's insurance benefits on the basis of
23 the wages and self-employment income of one or more
24 other insured individuals, such total benefits shall not
25 be reduced to less than the larger of:

“(A) the sum of the maximum amounts of benefits payable on the basis of the wages and self-employment income of all such insured individuals, but not more than the last figure in column V of the table appearing in section 215 (a), and

“(B) the amount determined under clause (II) for the highest primary insurance amount of any insured individual (if such primary insurance amount is determined under section 215 (a) (15)).”

(d) (i) Section 201 (c) of the Social Security Act is amended by inserting before the last sentence the following sentence: “The report shall further include a recommendation as to the appropriateness of the tax rates in sections 1401 (a), 3101 (a), and 3111 (a) of the Internal Revenue Code of 1954, which will be in effect for the following calendar year; this recommendation shall be made in the light of the need for the estimated income in relationship to the estimated outgo of the Trust Funds during such year.”

(2) Section 1817 (b) of such Act is amended by inserting before the last sentence the following sentence: “The report shall further include a recommendation as to the appropriateness of the tax rates in sections 1401 (b), 3101 (b), and 3111 (b) of the Internal Revenue Code of 1954, which will be in effect for the following calendar year; this recommendation shall be made in the light of the need for

Requires the board of trustees to include in its annual report on the trust funds a recommendation of the appropriateness of the OASDI tax rate scheduled for the following year.

Requires the board of trustees to include in its annual report a recommendation of the appropriateness of the HI tax rate scheduled for the following year.

Effective date:
Applicable for benefits
for months after December
1973 and lump-sum death
payments for deaths
occurring after 1973.

1 the estimated income in relationship to the estimated outgo
2 of the Trust Fund during such year."

3 (e) The amendments made by subsections (b) and
4 (c) shall apply with respect to monthly benefits for months
5 after December 1973 and with respect to lump-sum death
6 payments under such title in the case of deaths occurring
7 after 1973.

8 CHANGES IN TAX SCHEDULES

9 SEC. 8. (a) (1) Section 1401 (a) of the Internal Rev-
10 enue Code of 1954 (relating to rate of tax on self-employ-
11 ment income for purposes of old-age, survivors, and dis-
12 ability insurance) is amended by striking out paragraphs
13 (1), (2), (3), and (4), and inserting in lieu thereof the
14 following:

Changes the OASDI tax
rates for the self-
employed to:

6.3% 1970-74
6.9% 1975-76
7.0% 1977 and after

Under present law the
OASDI tax rates are:

6.3% 1970
6.9% 1971-72
7.0% 1973 and after

15 "(1) in the case of any taxable year beginning after
16 December 31, 1969, and before January 1, 1975, the
17 tax shall be equal to 6.3 percent of the amount of the
18 self-employment income for such taxable year;

19 "(2) in the case of any taxable year beginning
20 after December 31, 1974, and before January 1, 1977,
21 the tax shall be equal to 6.9 percent of the amount of
22 the self-employment income for such taxable year; and

23 "(3) in the case of any taxable year beginning after
24 December 31, 1976, the tax shall be equal to 7.0 per-
25 cent of the amount of the self-employment income for
26 such taxable year."

(2) Section 3101 (a) of such Code (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

“(1) with respect to wages received during the calendar years 1970, 1971, 1972, 1973 and 1974, the rate shall be 4.2 percent;

“(2) with respect to wages received during the calendar years 1975 and 1976, the rate shall be 4.6 percent;

“(3) with respect to wages received during the calendar years 1977, 1978, and 1979, the rate shall be 4.8 percent;

“(4) with respect to wages received during the calendar years 1980, 1981, 1982, 1983, 1984, 1985, and 1986, the rate shall be 4.9 percent; and

“(5) with respect to wages received after December 31, 1986, the rate shall be 5.0 percent.”

(3) Section 3111 (a) of such Code (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

“(1) with respect to wages paid during the cal-

Changes the OASDI tax rates for employees to:

4.2%	1970-74
4.6%	1975-76
4.8%	1977-79
4.9%	1980-86
5.0%	1987 and after

Under present law the OASDI tax rates are:

4.2%	1970
4.6%	1971-72
5.0%	1973 and after

Changes the OASDI tax
rates for employers to:

4.2%	1970-74
4.6%	1975-76
4.8%	1977-79
4.9%	1980-86
5.0%	1987 and after

Under present law the
OASDI tax rates are:

4.2%	1970
4.6%	1971-72
5.0%	1973 and after

Changes the HI tax rates
for the self-employed to:

0.60%	1970
0.90%	1971 and after

Under present law the HI
tax rates are:

0.60%	1970-72
0.65%	1973-75
0.70%	1976-79
0.80%	1980-86
0.90%	1987 and after

1 endar years 1970, 1971, 1972, 1973 and 1974, the rate
2 shall be 4.2 percent;

3 “(2) with respect to wages paid during the cal-
4 endar years 1975 and 1976, the rate shall be 4.6 per-
5 cent;

6 “(3) with respect to wages paid during the cal-
7 endar years 1977, 1978, and 1979, the rate shall be
8 4.8 percent;

9 “(4) with respect to wages paid during the calen-
10 dar years 1980, 1981, 1982, 1983, 1984, 1985, and
11 1986, the rate shall be 4.9 percent; and

12 “(5) with respect to wages paid after December
13 31, 1986, the rate shall be 5.0 percent.”

14 (b) (1) Section 1401 (b) of such Code (relating to
15 rate of tax on self-employment income for purposes of hos-
16 pital insurance) is amended by striking out paragraphs (1),
17 (2), (3), (4), and (5) and inserting in lieu thereof the
18 following:

19 “(1) in the case of any taxable year beginning after
20 December 31, 1969, and before January 1, 1971, the
21 tax shall be equal to 0.60 percent of the amount of the
22 self-employment income for such taxable year; and

23 “(2) in the case of any taxable year beginning after
24 December 31, 1970, the tax shall be equal to 0.90 per-
25 cent of the amount of the self-employment income for
26 such taxable year.”

(2) Section 3101 (b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended by striking out paragraphs (1), (2), (3), (4), and (5) and inserting in lieu thereof the following:

“(1) with respect to wages received during the calendar year 1970, the rate shall be 0.60 percent; and

“(2) with respect to wages received after December 31, 1970, the rate shall be 0.90 percent.”

(3) Section 3111 (b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended by striking out paragraphs (1), (2), (3), (4), and (5) and inserting in lieu thereof the following:

“(1) with respect to wages paid during the calendar year 1970, the rate shall be 0.60 percent; and

“(2) with respect to wages paid after December 31, 1970, the rate shall be 0.90 percent.”

(c) The amendments made by subsections (a) (1) and (b) (1) shall apply only with respect to taxable years beginning after December 31, 1969. The remaining amendments made by this section shall apply only with respect to remuneration paid after December 31, 1969.

AGE-62 COMPUTATION POINT FOR MEN

SEC. 9. (a) Section 214 (a) (1) of the Social Security Act is amended by striking out “before—” and by striking out all of subparagraphs (A), (B), and (C) and by in-

Changes the HI tax rates for employees to:

0.60%	1970
0.90%	1971 and after

Under present law the HI tax rates are:

0.60%	1970-72
0.65%	1973-75
0.70%	1976-79
0.80%	1980-86
0.90%	1987 and after

Changes the HI tax rates for employers to:

0.60%	1970
0.90%	1971 and after

Under present law the HI tax rates are:

0.60%	1970-72
0.65%	1973-75
0.70%	1976-79
0.80%	1980-86
0.90%	1987 and after

New contribution schedules effective for calendar years after 1969 with respect to wages and for taxable years beginning after 12/31/69 with respect to self-employment income.

Provides the same eligibility requirements for men that now apply for women--that is, the number of quarters of coverage needed for eligibility for an old-age insurance benefit will be counted over the years up to the year of attainment of

age 62 (rather than age 65 as under present law).

Provides that, for men, the number of years used in computing average monthly earnings (on which benefits are based) will be counted, in retirement cases, up to the year in which the man attains age 62 (rather than age 65). As a result the provisions for computing average monthly earnings will be the same for men as they are for women.

Repeals a recomputation provision in present law which will no longer be needed and provides for recomputing under the new provision the benefit amount of a person who, prior to the effective date of the provision, became entitled to an old-age insurance benefit, or who after the year in which he reached age 62 became entitled to a disability insurance benefit or died.

serting in lieu thereof "before the year in which he died or (if earlier) the year in which he attained age 62,".

(b) Section 215(b) (3) of such Act is amended by striking out "before—" and all of subparagraphs (A), (B), and (C) and by inserting in lieu thereof "before the year in which he died or, if it occurred earlier but after 1960, the year in which he attained age 62.".

(c) Section 215(f) of such Act is amended by striking out paragraph (5) and inserting in lieu thereof the following:

"(5) In the case of an individual who is entitled to monthly benefits for a month after December 1971, on the basis of the wages and self-employment income of an insured individual who prior to January 1972 became entitled to benefits under section 202(a), became entitled to benefits under section 223 after the year in which he attained age 62, or died in a year after the year in which he attained age 62, the Secretary shall, notwithstanding paragraphs (1) and (2), recompute the primary insurance amount of such insured individual. Such recomputation shall be made under whichever of the following alternative computation methods yields the higher primary insurance amount:

"(A) the computation methods of this section, as amended by the Social Security Amendments of 1969, which would be applicable in the case of an insured

individual who attained age 62 after December 1971, or

“(B) under the provisions in subparagraph (A) (but without regard to the limitation, ‘but after 1960’ contained in paragraph (3) of subsection (b)), except that for any such recomputation, when the number of an individual’s benefit computation years is less than 5, his average monthly wage shall, if it is in excess of \$400, be reduced to such amount.”

(d) Section 223 (a) (2) of such Act is amended by—

(1) striking out “(if a woman) or age 65 (if a man)”,

(2) striking out “in the case of a woman” and inserting in lieu thereof “in the case of an individual”, and

(3) striking out “she” and inserting in lieu thereof “he”.

(e) Section 223 (c) (1) (A) is amended by striking out “(if a woman) or age 65 (if a man)”.

(f) The amendments made by the preceding subsections of this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1971 and with respect to lump-sum death payments made in the case of an insured individual who died after such month.

(g) Sections 209 (i) , 216 (i) (3) (A) , and 213 (a) (2)

Conforming amendments-- Provides that for purposes of computing a disability insurance benefit, a man will be deemed to have attained age 62 (rather than age 65) in the first month of his waiting period or reentitlement to a disability insurance benefit.

Conforming amendment in definitions of insured status and waiting periods for purposes of disability insurance benefits.

Effective date-- Provisions of this section effective for benefits for months after December 1971 and lump-sum death payments for deaths occurring after December 1971.

Conforming amendments.

1 of the Social Security Act are amended by striking out “if
2 a woman) or age 65 (if a man)”.

3 ENTITLEMENT TO CHILD’S INSURANCE BENEFITS BASED
4 ON DISABILITY WHICH BEGAN BETWEEN 18 AND 22

Expands child's insurance benefit provisions to include sons and daughters of any age disabled before age 22 (rather than before age 18 as in present law)

5 SEC. 10. (a) Clause (ii) of section 202 (d) (1) (B) of
6 the Social Security Act is amended by striking out “which
7 began before he attained the age of 18” and inserting in lieu
8 thereof “which began before he attained the age of 22”.

9 (b) Subparagraphs (F) and (G) of section 202 (d)
10 (1) of such Act are amended to read as follows:

Provides that entitlement to child's insurance benefits shall end, if such child is aged 18 or over and under a disability, with the second month following the month disability ceases unless entitled as a full-time student under age 22.

11 “(F) if such child was not under a disability (as
12 so defined) at the time he attained the age of 18, the
13 earlier of—

14 “(i) the first month during no part of which
15 he is a full-time student, or

16 “(ii) the month in which he attains the age of
17 22,

18 but only if he was not under a disability (as so defined)
19 in such earlier month; or

20 “(G) if such child was under a disability (as so
21 defined) at the time he attained the age of 18, or if he
22 was not under a disability (as so defined) at such time
23 but was under a disability (as so defined) at or prior to
24 the time he attained (or would attain) the age of 22,
25 the third month following the month in which he ceases
26 to be under such disability or (if later) the earlier of—

“(i) the first month during no part of which
he is a full-time student, or

“(ii) the month in which he attains the age
of 22,

but only if he was not under a disability (as so defined)
in such earlier month.”

(c) Section 202 (d) (1) of such Act is further amended
by adding at the end thereof the following new sentence:
“No payment under this paragraph may be made to a child
who would not meet the definition of disability in section
223 (d) except for paragraph (1) (B) thereof for any month
in which he engages in substantial gainful activity.”

(d) Paragraph (6) of section 202 (d) is amended by
striking out “in which he is a full-time student and has not
attained the age of 22” and all that follows and inserting in
lieu thereof “in which he—

“(A) (i) is a full-time student or (ii) is under a
disability (as defined in section 223 (d)), and

“(B) had not attained the age of 22, but only if
he has filed application for such reentitlement. Such re-
entitlement shall end with the month preceding which-
ever of the following first occurs:

“(C) the first month in which an event specified in
paragraph (1) (D) occurs; or

“(D) the earlier of (i) the first month during no

If an individual is con-
sidered disabled solely
by reason of the definition
of disability (in section
223(d)(1)(B) relating to
blind individuals) child's
insurance benefits are
not payable for any month
in which he engages in
substantial gainful
activity.

Provides that a child
whose benefits are
terminated at or after
age 18 can be re-entitled
to child's benefits if
disabled before age 22.
Such re-entitlement shall
end with the second month
following the month
disability ceases unless
entitled as a full-time
student under age 22.

1 part of which he is a full-time student or (ii) the month
 2 in which he attains the age of 22, but only if he is not
 3 under a disability (as so defined) in such earlier month;
 4 or

5 “(E) if he was under a disability (as so defined),
 6 the third month following the month in which he ceases
 7 to be under such disability or (if later) the earlier of—

8 “(i) the first month during no part of which
 9 he is a full-time student, or

10 “(ii) the month in which he attains the age
 11 of 22.”

Provide mother's insurance
 benefits if mother has in
 her care a child entitled
 to child's benefits on the
 basis of a disability that
 began before age 22.

12 (e) Section 202 (s) of such Act is amended—

13 (1) by striking out “before he attained such age”
 14 in paragraph (1) and inserting in lieu thereof “before
 15 he attained the age of 22”; and

Conforming change.

16 (2) by striking out “before such child attained the
 17 age of 18” in paragraphs (2) and (3) and inserting in
 18 lieu thereof “before such child attained the age of 22”.

Amendments will be effective
 for monthly benefits for
 months after December 1970,
 except that in the case of
 an individual not entitled
 to benefits for December
 1970, benefits will be
 payable only on the basis
 of an application filed
 after September 30, 1970.

19 (f) The amendments made by this section shall apply
 20 only with respect to monthly insurance benefits payable under
 21 section 202 of the Social Security Act for months after
 22 December 1970, except that in the case of an individual who
 23 was not entitled to a monthly benefit under such section for
 24 December 1970, such amendments shall apply only on the
 25 basis of an application filed after September 30, 1970.

1 ALLOCATION TO DISABILITY INSURANCE TRUST FUND

2 SEC. 11. (a) Section 201 (b) (1) of the Social Security
3 Act is amended by—

Allocation to disability insurance trust fund increased from 0.95% of taxable wages to 1.05% for 1970 and thereafter.

4 (1) striking out “and” at the end of clause (B) ;

5 (2) striking out “1967, and so reported,” and
6 inserting in lieu thereof the following: “1967, and before
7 January 1, 1970, and so reported, and (D) 1.05 per
8 centum of the wages (as so defined) paid after Decem-
9 ber 31, 1969, and so reported,”.

10 (b) Section 201 (b) (2) of such Act is amended by—

Allocation to disability insurance trust fund increased from 0.7125% of self-employment income to 0.7875% for taxable years beginning after 1969.

11 (1) striking out “and” at the end of clause (B) ;

12 (2) striking out “1967,” and inserting in lieu
13 thereof the following: “1967, and before January 1,
14 1970, and (D) 0.7875 of 1 per centum of the amount
15 of self-employment income (as so defined) so reported
16 for any taxable year beginning after December 31,
17 1969,”.

18 WAGE CREDITS FOR MEMBERS OF THE UNIFORMED
19 SERVICES

20 SEC. 12. (a) Subsection 229 (a) of such Act is amended
21 by—

Provides noncontributory wage credits of \$300 for servicemen and veterans for each calendar quarter from 1/57 through 12/67 in which they have been paid basic pay for military service. Also, makes a technical change to provide that the noncontributory credits provided under present law for military service after 1967 would be determined on the same basis as those for years 1/57 through

22 (1) striking out “after December 1967,” and in-
23 serting in lieu thereof “after December 1970”;

24 (2) striking out “after 1967” and inserting in lieu
25 thereof “after 1956”; and

12/67 (they would no longer depend on the amount of basic pay in each quarter).

Effective date: New credits to be used in computing lump-sum death payments in the case of deaths after 1970 and monthly benefits for months after 1970, except that for any individual entitled to monthly benefits for December 1970 the credits will be used only if an application is filed.

(3) striking out all of paragraphs (1), (2), and (3), and inserting in lieu thereof "\$300".

(b) The amendments made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after December 1970 and with respect to lump-sum death payments in the case of deaths occurring after December 1970, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 229 applies, to monthly benefits under title II of such Act for December 1970, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such title II on the basis of such wages and self-employment income, and (B) only with respect to such benefits for months after whichever of the following is later: December 1970 or the twelfth month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215 (f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215 (f) of such Act.

1 PARENT'S INSURANCE BENEFITS IN CASE OF RETIRED OR
2 DISABLED WORKER

3 SEC. 13. (a) Paragraphs (1) and (2) of section 202
4 (h) of the Social Security Act are amended to read as
5 follows:

6 “(1) Every parent (as defined in this subsection) of an
7 individual entitled to old-age or disability insurance benefits,
8 or of an individual who died a fully insured individual, if
9 such parent—

Provides benefits for
dependent parents age 62
and over of workers
getting retirement or
disability benefits.

10 “(A) has attained age 62,

11 “(B) was receiving at least one-half of his sup-
12 port, as determined in accordance with regulations pre-
13 scribed by the Secretary, from such individual—

14 “(i) if such individual is entitled to old-age or
15 disability insurance benefits, at the time he became
16 entitled to such benefits,

17 “(ii) if such individual has died, at the time of
18 such death, or

19 “(iii) if such individual had a period of disa-
20 bility which continued until he became entitled to
21 old-age or disability insurance benefits, or (if he
22 had died) until the month of his death, at the
23 beginning of such period of disability,
24 and has filed proof of such support within two years

Adds to the times at
which a parent, in order
to qualify for benefits,
may have been dependent
on the worker, the time
when the worker became
entitled to old-age or
disability benefits or
the beginning of a period
of disability.

Applies to parents of living workers the provision, now applicable to parents of deceased workers, that a parent may not become entitled to parents' benefits if he gets a larger benefit based on his own earnings.

Requires that a parent must not have married since he met the support requirement, rather than since the worker's death, as under present law.

- 1 after the month in which such individual filed applica-
- 2 tion with respect to such period of disability, became
- 3 entitled to such benefits, or died, as the case may be,
- 4 “(C) is not entitled to old-age or disability insur-
- 5 ance benefits, or is entitled to such benefits, each of
- 6 which is (i) less than 50 percent of the primary insur-
- 7 ance amount of such individual if such individual is en-
- 8 titled to old-age or disability insurance benefits, or (ii)
- 9 less than $82\frac{1}{2}$ percent of the primary insurance amount
- 10 of such individual if such individual is deceased, and if
- 11 the amount of the parent's insurance benefit for such
- 12 month is determinable under paragraph (2) (A) (or 75
- 13 percent of such primary insurance amount in any other
- 14 case),
- 15 “(D) has not married since the time with respect
- 16 to which the Secretary determines, under subparagraph
- 17 (B) of this paragraph, that such parent was receiving at
- 18 least one-half of his support from such individual, and
- 19 “(E) has filed application for parent's insurance
- 20 benefits,
- 21 shall be entitled to a parent's insurance benefit for each
- 22 month, beginning with the first month in which such parent
- 23 becomes so entitled to such parent's insurance benefits and
- 24 ending with the month preceding the first month in which
- 25 any of the following occurs—
- 26 “(F) such parent dies or marries, or

“(G) (i) if such individual is entitled to old-age or disability insurance benefits, such parent becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of the primary insurance amount of such individual, or (ii) if such individual has died, such parent becomes entitled to an old-age or disability insurance benefit which is equal to or exceeds 82½ percent of the primary insurance amount of such deceased individual if the amount of the parent’s insurance benefit for such month is determinable under paragraph (2) (A) (or 75 percent of such primary insurance amount in any other case), or

Provides that parent’s benefits will end if the parent becomes entitled to larger benefits based on own earnings (in cases where the worker is living as well as cases where he is dead).

“(H) such individual, if living, is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.

Provides that for a parent of a living worker, benefits end when the worker is no longer entitled to benefits.

“(2) (A) Except as provided in subparagraphs (B) and (C), such parent’s insurance benefit for each month shall be equal to—

(i) if the individual on the basis of whose wages and self-employment income the parent is entitled to such benefit has not died prior to the end of such month, one-half of the primary insurance amount of such individual for such month, or

“(ii) if such individual has died in or prior to such

Provides that benefits for a parent of a retired or disabled worker shall be 50% of the worker's primary insurance amount and shall be subject to actuarial reduction if taken before age 65. Restates provisions of present law for paying parents of a deceased worker 82 1/2% of the worker's primary insurance amount, or, where more than one parent is entitled on a deceased insured worker's account, 75% of the worker's primary insurance amount.

Restates present law to provide that where a parent is getting parent's benefits and another parent becomes entitled, the second parent will get 150% of the primary insurance amount less the benefit paid to the first parent for months prior to the month of filing application.

1 month, 82½ percent of the primary insurance amount of
2 such deceased individual;

3 “(B) For any month for which more than one parent
4 is entitled to parent's insurance benefits on the basis of the
5 wages and self-employment income of an individual who died
6 in or prior to such month, such benefit for each such parent
7 for such month shall (except as provided in subparagraph
8 (C)) be equal to 75 percent of the primary insurance
9 amount of such deceased individual;

10 “(C) In any case in which—

11 “(i) any parent is entitled to a parent's insurance
12 benefit for a month on the basis of the wages and self-
13 employment income of an individual who died in or
14 prior to such month, and

15 “(ii) another parent of such deceased individual
16 is entitled to a parent's insurance benefit for such month
17 on the basis of such wages and self-employment income,
18 and on the basis of an application filed after such month
19 and after the month in which the application for the
20 parent's insurance benefits referred to in clause (i)
21 was filed,

22 the amount of the parent's insurance benefit of the parent
23 referred to in clause (i) for the month referred to in such
24 clause shall be determined under subparagraph (A) instead
25 of subparagraph (B) and the amount of the parent's insur-

ance benefit of the parent referred to in clause (ii) for such month shall be equal to 150 percent of the primary insurance amount of such individual minus the amount (before the application of section 203 (a)) of the benefit for such month of the parent referred to in clause (i)."

(b) Section 202 (q) of such Act is amended by—

(1) inserting in paragraph (1) after "husband's," the following: "parent's," and by striking out in such paragraph (1) "or husband's" and inserting in lieu thereof " , husband's, or parent's";

Amends actuarial-reduction provisions to provide that where dependent parents of living workers start getting benefits before age 65 the benefits will be actuarially reduced, as are wife's or husband's benefits.

(2) inserting in paragraph (3) after "husband's," wherever it appears the following: "parent's," and by striking out in such paragraph (3) "or husband's" wherever it appears and inserting in lieu thereof "husband's, or parent's";

(3) inserting in paragraph (6) after "husband's," wherever it appears the following: "parent's,"; and by striking out in such paragraph (6) "or husband's" wherever it appears and inserting in lieu thereof "husband's, or parent's";

(4) inserting in paragraph (7) after "husband's," the following: "parent's," and by striking out "or husband's" and inserting in lieu thereof "husband's, or parent's"; and

Adds to the list of months that may be excluded in figuring the "adjusted reduction period" for actuarial reduction purposes.

1 (5) adding at the end thereof the following new
2 paragraph:

Defines parent's benefits
for purposes of actuarial
reduction.

3 “(10) For purposes of this subsection, ‘parent’s insur-
4 ance benefits’ means benefits payable under this section to a
5 parent on the basis of the wages and self-employment income
6 of an individual entitled to old-age insurance benefits or dis-
7 ability insurance benefits.”

8 (c) Section 202 (r) of such Act is amended—

Includes parent's benefits
in the provision under
which an application for
an actuarially reduced
benefit is deemed to be
an application for another
reduced benefit for which
the individual is
eligible.

9 (1) by striking out “or Husband’s” in the heading
10 and inserting in lieu thereof, “Husband’s, or Parent’s”;
11 and

12 (2) by striking out “or husband’s” each time it ap-
13 pears in paragraphs (1) and (2) and inserting in lieu
14 thereof, “husband’s, or parent’s”.

15 (d) Section 203 (d) (1) of such Act is amended by
16 striking out “or child’s” wherever it appears and inserting
17 in lieu thereof “child’s, or parent’s” and by striking out “or
18 child” and inserting in lieu thereof “child, or parent”.

Conforming change: Pro-
vides for withholding
parent's benefits based
on the earnings of a
retired worker for any
month in which the work-
er's benefits are with-
held because of non-
covered work performed
by him outside the U.S.

19 (e) Subparagraph (C) of section 202 (q) (7) of such
20 Act is amended—

21 (1) by striking out “wife’s or husband’s insurance
22 benefits” and inserting in lieu thereof “wife’s, husband’s,
23 or parent’s insurance benefits”, and

24 (2) by striking out “the spouse” and inserting in
25 lieu thereof “the individual”.

(f) Section 222 (b) (3) of such Act is amended—

(1) by striking out “husband’s, or child’s” wherever it appears and inserting in lieu thereof “husband’s, parent’s, or child’s”, and

(2) by striking out “husband, or child” and inserting in lieu thereof “husband, parent, or child”.

Conforming changes.

(g) Where—

(1) one or more persons were entitled (without the application of section 202 (j) (1) of the Social Security Act) to monthly benefits under section 202 or 223 of such Act for December 1970 on the basis of the wages and self-employment income of an individual, and

(2) one or more persons are entitled to monthly benefits for January 1971 solely by reason of this section on the basis of such wages and self-employment income, and

Provides that benefits payable to persons already on the rolls will not be reduced by entitlement of a parent to benefits based on a retired or disabled worker's earnings record.

(3) the total of benefits to which all persons are entitled under such section 202 or 223 on the basis of such wages and self-employment income for January 1971 is reduced by reason of section 203 (a) of such Act, as amended by this Act (or would, but for the penultimate sentence of such section 203 (a), be so reduced), then the amount of the benefit to which each person referred to in paragraph (1) of the subsection is entitled for months after December 1970 shall be in-

creased, after the application of such section 203 (a) , to the amount it would have been if the person or persons referred to in paragraph (2) were not entitled to a benefit referred to in such paragraph (2) .

Provides that benefits for parents shall be paid for months after December 1970 on the basis of applications filed after September 30, 1970.

(h) The amendments made by this section shall apply only with respect to monthly insurance benefits payable under section 202 of the Social Security Act for months after December 1970 and only on the basis of an application filed after September 30, 1970.

Provides that a parent may prove dependency on a living worker within 2 years after date of enactment.

(i) The requirement in section 202 (h) (1) (B) of the Social Security Act that proof of support be filed within two years after a specified date in order to establish eligibility for parent's insurance benefits shall, insofar as such requirement applies to cases where applications under such subsection are filed by parents on the basis of the wages and self-employment income of an individual entitled to old-age or disability insurance benefits, not apply if such proof of support is filed within two years after the date of enactment of this Act.

Provides widow's insurance benefits at age 65 equal to 100 percent of the deceased husband's primary insurance amount. (For widows who begin to get benefits before age 65, the benefit will be reduced by 35/72 of 1 percent for each month it is paid in the 36-month period from age 62 to 65. The result is--widow's benefits ranging from 82½ percent of the primary insurance amount at age 62 to 100 percent at age 65.) Under present law the

INCREASED WIDOW'S AND WIDOWER'S INSURANCE

BENEFITS

SEC. 14. (a) Subsection (e) of section 202 of the Social Security Act is amended as follows:

(1) Paragraphs (1) and (2) of such subsection are amended by striking out "82½ percent of" wherever it appears.

1 (2) Paragraph (5) of such subsection is amended by
2 striking out "60" and inserting in lieu thereof "65".

3 (b) Subsection (f) of section 202 of such Act is
4 amended as follows:

5 (1) Paragraphs (1) and (3) of such subsection are
6 amended by striking out "82½ percent of" wherever it
7 appears.

8 (2) Paragraph (6) of such subsection is amended by
9 striking out "62" and inserting in lieu thereof "65".

10 (c) (1) The last sentence of subsection (c) of section
11 203 of such Act is amended by striking out all that follows
12 the semicolon and inserting in lieu thereof the following:
13 "nor shall any deduction be made under this subsection from
14 any widow's insurance benefit for any month in which the
15 widow or surviving divorced wife is entitled and has not
16 attained age 65 (but only if she became so entitled prior to
17 attaining age 60), or from any widower's insurance benefit
18 for any month in which the widower is entitled and has not
19 attained age 65 (but only if he became so entitled prior to
20 attaining age 62).".

21 (2) Subparagraph (D) of section 203(f) (1) of such
22 Act is amended to read as follows:

23 "(D) for which such individual is entitled to
24 widow's insurance benefits and has not attained age 65
25 (but only if she became so entitled prior to attaining age

widow's benefit at age
62 or later is 82½
percent of the husband's
primary insurance amount.

Provides widower's insur-
ance benefits ranging
from 82½ percent of the
deceased wife's primary
insurance amount at age
62 to 100 percent at age
65. Under present law
the widower's benefit is
82½ percent of the
primary insurance amount
at or after age 62.

Conforming amendments:
Provides that--a widow or
surviving divorced wife
under age 65 (rather than
under age 62) who became
entitled to a widow's
insurance benefit prior to
age 60, on the basis of a
disability, or a widower
under age 65 (rather than
age 62) who became en-
titled to a widower's
insurance benefit prior to
age 62, on the basis of a
disability--will not be
subject to a deduction for
any month because of
failure to have child in
care or because of the
earnings subject to the
earnings test.

1 60), or widower's insurance benefits and has not attained
 2 age 65 (but only if he became so entitled prior to attain-
 3 ing age 62), or".

4 (d) Subsection (q) of section 202 of such Act, as
 5 amended by this Act, is further amended as follows:

6 (1) That part of paragraph (1) of such subsection
 7 which precedes subparagraph (C) is amended to read as
 8 follows:

9 “(q) (1) If the first month for which an individual is
 10 entitled to an old-age, wife's, husband's, parent's, widow's,
 11 or widower's insurance benefit is a month before the month
 12 in which such individual attains retirement age, the amount of
 13 such benefit for each month shall, subject to the succeeding
 14 paragraphs of this subsection, be reduced—

15 “(A) for each month of such entitlement within the
 16 36-month period immediately preceding the month in
 17 which such individual attains retirement age, by

18 “(i) five-ninths of 1 percent of such amount if
 19 such benefit is an old-age insurance benefit, twenty-
 20 five thirty-sixths of 1 percent of such amount if
 21 such benefit is a wife's, husband's, or parent's insur-
 22 ance benefit, or thirty-five seventy-seconds of 1 per-
 23 cent of such amount if such benefit is a widow's or
 24 widower's insurance benefit, multiplied by

25 “(ii) the number of such months in (I) the

Changes the paragraph of present law that provides the reduction factors applicable to benefits payable before age 65 to include a factor of $35/72$ of 1 percent per month for the reduction of widow's and widower's benefits that begin with a month in the 36-month period before age 65.

1 reduction period for such benefit (determined
 2 under paragraph (6) (A)), if such benefit is for
 3 a month before the month in which such indi-
 4 vidual attains retirement age, or (II) the adjusted
 5 reduction period for such benefit (determined under
 6 paragraph (7)), if such benefit is for the month
 7 in which such individual attains retirement age or
 8 for any month thereafter, and—

9 “(B) for each month of the 24-month period for
 10 which a widow, or widower, is entitled to a widow’s or
 11 widower’s insurance benefit immediately preceding the
 12 month in which such individual attains age 62, the
 13 amount of such individual’s widow’s or widower’s bene-
 14 fit as reduced under subparagraph (A) shall be further
 15 reduced by—

16 “(i) five-ninths of 1 percent of such reduced
 17 benefit, multiplied by

18 “(ii) the number of such months in (I) the
 19 reduction period for such benefit, if such benefit is
 20 for a month before the month in which such indi-
 21 vidual attains age 62, or (II) the adjusted reduc-
 22 tion period for such benefit (determined under para-
 23 graph (7)), if such benefit is for the month in
 24 which such individual attains retirement age or for
 25 any month thereafter.

Provides the factor, $\frac{5}{9}$
 of 1 percent per month,
 for the reduction of
 widow's benefits that
 begin with a month in the
 24-month period before
 age 62. (Comparable
 provision in present
 law.)

1 “A widow’s or widower’s insurance benefit reduced pur-
 2 suant to the preceding sentence shall be further reduced
 3 by—”.

Conforming amendments to include--in the provisions for reducing a person's disability insurance benefit that becomes payable for a month after a month the person was entitled to a reduced old-age, widow's or widower's benefit--a provision for reducing the disability insurance benefit of a widow or widower who was previously entitled to a reduced widow's or widower's benefit between age 62 and 65.

4 (2) Paragraph (2) of such subsection is amended by
 5 striking out “paragraphs (1) and (4)” and inserting in lieu
 6 thereof “paragraphs (1), (3), and (4)”.

7 (3) Paragraph (3) of such subsection is amended by—

8 (A) striking out subparagraph (F), and

9 (B) redesignating subparagraph (G) as subpara-
 10 graph (F), striking out of such subparagraph “(when
 11 such first month occurs before the month in which such
 12 individual attains the age of 62)”, and striking out
 13 “age 62” and inserting in lieu thereof “age 65”.

Defines retirement age for purposes of the benefit reduction section as age 65.

14 (4) Paragraph (9) of such subsection is amended to
 15 read as follows:

16 “(9) For purposes of this subsection, the term ‘retire-
 17 ment age’ means age 65.”.

Provides that a person who is eligible for an old-age insurance benefit and for a wife's, husband's, parent's, widow's, or widower's insurance benefit and who applies for any of these benefits before age 65 shall be deemed to have applied for the other benefits for which he is eligible.

18 (e) Subsection (r) of section 202 of such Act, as
 19 amended by this Act, is further amended as follows:

20 (1) by striking out “Husband’s, or Parent’s” in
 21 the heading and inserting in lieu thereof “Husband’s,
 22 Parent’s, Widow’s, or Widower’s”; and

23 (2) by striking out “husband’s, or parent’s” each
 24 time it appears in paragraphs (1) and (2) and insert-
 25 ing in lieu thereof “husband’s, parent’s, widow’s, or
 26 widower’s.”.

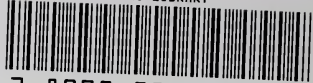
1 (f) In the case of an individual who is entitled (with-
 2 out the application of section 202 (j) (1) and 223 (b)) to
 3 widow's or widower's insurance benefits for the month of
 4 December 1970, if such individual's entitlement to such
 5 benefits began with a month after the month he attained
 6 age 62, the Secretary shall redetermine the amount of such
 7 benefits under the provisions of this section as if these pro-
 8 visions had been in effect for the first month of such indi-
 9 vidual's entitlement to such benefits.

Provides for a recomputation of the widow's and widower's insurance benefits of a person on the rolls in December 1970 who began getting widow's or widower's benefits after the month he reached age 62 so that his benefits will be increased for January 1971 in accordance with the higher benefits provided by this section for those who take widow's or widower's benefits after age 62.

10 (g) The amendments made by this section shall be
 11 effective for monthly benefits for months after December
 12 1970.

Effective date:
 Makes provisions of this section effective for benefits for months after December 1970.

CMS Library
 C2-07-13
 7500 Security Blvd.
 Baltimore, Maryland 21244



3 8095 00006317 8

91ST CONGRESS
1st Session**H. R. 14080****A BILL**

To amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance program, provide for automatic benefit increases thereafter in the event of future increases in the cost of living, provide for future automatic increases in the earnings and contribution base, and for other purposes.

By Mr. GERARD R. FORD

SEPTEMBER 30, 1969

Referred to the Committee on Ways and Means